

**THE STATE HORSE RACING COMMISSION
MEETING MINUTES**

October 26, 2016

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: The Department of Agriculture room 309 in Harrisburg, PA, Wednesday, October 26, 2016 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, C. Edward Rogers, Michele C. Ruddy, Dr. Corinne Sweeney, Dr. John Egloff, Robert F. Lark, Darryl Breniser, Russell Jones and Chairman Russell Redding, the Pennsylvania Secretary of Agriculture. Also present were Commission legal counsel Brook Duer and Jorge Augusto.

The Chair called the meeting to order. Legal counsel noted that the meeting has been advertised in accordance with the Sunshine Law. Legal counsel noted that executive session was conducted at 10:00 a.m. for discussion of the following topics: Personnel matters re: the Director of Standardbred Racing; attorney-client privileged communication re: the Pennsylvania Breeding Fund; pending litigations; and commission adjudications.

SUMMARY

Chairman Redding welcomed everyone to the commission meeting and had the commissioners give a quick round of introductions since the commission is fully seated.

Brook Duer, spoke briefly about one ex parte communication and thanked the industry for refraining from contacting the commissioners directly and working through the Commission office.

Prior meeting minutes of 9/28/16 were approved by motion. No action was taken on adoption of a Commission Code of Conduct, Section. This matter will tabled until future notice.

The Commissioners are looking to do a commission orientation with the Thoroughbred and Standardbred industry for the November commission meeting and December meeting.

The Commission would like to hear from the Breeders, Horsemen and Racetrack Operators. Commissioner DeBunda wants the commission to hear from the stake holders in the industry done in stages such as the Breeders, Operators, and Horsemen starting with the November Commission meeting. A motion was made by Chairman Redding and all commissioners agreed to hearing from the Breeders at the November meeting which is open to the public.

Mr. Duer spoke about the general correspondence that was sent to the commission during the month of October which is attached to these meeting minutes.

A press release will be sent out for the new PA State Horse Racing Commission Rulings website that can be accessed by the public.

Chairman Redding spoke about HB 2303 and how it was not as of this time on the Senate bill schedule and asked the public if they would contact the Senate to make sure that action is taken today on HB 2303.

A motion was made by Commissioners Breniser and seconded by Commissioner Lark; and approved with two abstentions by Commissioner DeBunda and Commissioner Jones; to concur that Brett Revington be employed as the Standardbred Horse Racing Bureau Director. Commissioner DeBunda thanked Deputy Secretary Fred Strathmeyer for all this hard work while waiting for the position to be filled.

Tracee Gotwalt, Bureau of Administrative Services, presented information on the Commission's FY 16-17 budget and how the budget process is proceeding. Financials were distributed. The financial report was approved by motion.

Jorge Augusto, Legal Counsel, spoke briefly on the Endeka Licensing matter and the new internal licensing process that the commission would like to use going forward. The appeal that was filed for Endeka will soon be dismissed and Endeka license will then be automatically terminated.

The following licensed racing entity representatives addressed upcoming events and happenings at the tracks: Eric Johnson, Director of Racing at Penn National; had no report for October. Joe Wilson, Racing Director, Parx; had no report for October. Debbie Howells, Director of Racing, Presque Isle Downs; spoke to the commission about the close of the 2016 meet at Presque Isle Downs and everyone is off the premises as of 10/20/2016. The exciting Breeders Cup will be shown on the new big screen with many reservations for Friday and Saturday. Kevin Decker, Director of Racing, The Meadows; had no report for October. Barry Brown, Director of Racing, Harrah's Philadelphia; had no report for October. Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs, had no report for October.

The following horsemen's and breeder group representatives addressed the Commission: Dr. Appeal, Vice President, PTHA, spoke about the PA Derby and the absolute stellar field of horses. Todd Mostoller, Executive Director, PA HBPA, noted the leading Breeder in Pennsylvania is leaving the state because he cannot get paid and how this is a great loss to racing and Pennsylvania. Kim Hankins, Executive Director, MSOA, spoke about the big "Pink Out" campaign at The Meadows; and the special race which was held had 30 entries instead of the usual 10, the weather was not good but the crowd went crazy. Sam Beegle, President PHHA, spoke about the PA Fair Harness Racing Program and how great the program is and how 2016 was one of the best years on record. Jim Simpson, Standardbred Breeders Association, noted that the Breeders Crown finals will be this coming Saturday and it looks to be a great racing day. Also on Sunday, November 6th the Standardbred Horse Sale starts.

Brain Sanfratello, Executive Director, PHBA, spoke to the commission about HB 2303 and urged everyone to contact their representatives to get this bill passed. Following that statement there was discussion from the commissioners on the best course of action to take which resulted in the letter being sent to the Senate to urge them to pass HB2303. Mr. Sanfratello then spoke to the commission about receiving some marketing money for the stallion directory to send out to all the breeders.

Dale Welk, spoke about the Standardbred Horse Sale on November 7th and the reception is all set up and ready to go. The reception will start at 6:15 with an open bar followed by a buffet dinner at 7:00 p.m. Many within the industry have been invited along with Representatives and Senators. A pamphlet has been sent out along with 30 second TV spots playing at all the tracks. There will be a booth set up also that will talk about all things equine and how the programs work.

Bruce Casella, Stu Kirshenbaum and Brian Langlois all presented to the commission about what they would like to see done with the marketing money for the Commission and what skills they can use to help the commission make great choices.

ADJUDICATIONS

A motion was made by Commissioner Sweeney and, seconded by Commissioner Ruddy, and unanimously passed to enter an order: "**AND NOW**, this 26th day of October, 2016, upon consideration of the hearing testimony and Exhibits of record, together with the foregoing Findings of Fact and Conclusions of Law, it is hereby **ORDERED** that the determination of the Board of Stewards that "Ragtime" was a non-starter in the third race at the Philadelphia PARX Racetrack on November 24, 2015, is **AFFIRMED**."

BUSINESS - MOTIONS

A motion was made by Commissioner DeBunda and, seconded by Commissioner Lark, and unanimously passed to approve item 2(b) 1-9/28/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner Breniser and, seconded by Commissioner Lark, and approved with two abstentions by Commissioner DeBunda and Commissioner Jones; passed to approve item 2(b) 2-Recommend Brett Revington as the Standardbred Horse Racing Bureau Director.

A motion was made by Commissioner Rogers and, seconded by Commissioner Sweeney; and passed to approve item 2(b) 3- September financial reports.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve item 2 (b) 4- 1-5 see attached October agenda for items.

A motion was made by Commissioner Egloff and, seconded by Commissioner Breniser, and unanimously passed to approve item 3(c) 1-to accept the draft statement of policy re: the application process for the soon to be vacant harness track license.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve a letter being sent to the Senate to show the displeasure of the commission on not passing HB2303.

A motion was made by Commissioner Rogers and, seconded by Commissioner DeBunda, and not passed to authorize payments be made under the repealed law.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Lark, and passed in a two-step approval process to approve up to \$25,000 in marketing/promotion funds to the PHBA to publish the stallion directory.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Lark, and not passed but tabled for additional information; asking for \$50,000 in marketing/promotion funds to the PHBA to promote the breeding program in Pennsylvania.

ANNOUNCEMENTS

Brett Revington has accepted the Standardbred Director position.

The December commission meeting has been moved from December 28th to December 21st.

Chairman Redding announced the next meeting will be held on November 30, 2016, at The Pennsylvania Department of Agriculture, in room 309, in Harrisburg, PA.

- Executive Session 10:00 A.M.
- Training Session 11:00 A.M.
- Regular Session 1:00 P.M.

ADJOURNMENT

Chairman Redding adjourned the meeting.

Respectfully submitted,

Thomas F. Chuckas Jr.
Bureau Director
Bureau of Thoroughbred Horse Racing

Fred R. Strathmeyer Jr.
Acting Bureau Director
Bureau of Standardbred Horse Racing

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Commissioners

Russell Redding, Chair
Darryl Breniser
Salvatore M. DeBunda
Dr. John Egloff
Thomas Jay Ellis
Russell B. Jones
Robert F. Lark
C. Edward Rogers
Michele C. Ruddy
Dr. Corinne R. Sweeney

Pennsylvania Department of Agriculture
2301 N. Cameron Street, Room 301
HARRISBURG, PENNSYLVANIA 17110

AGENDA

WEDNESDAY, OCTOBER 26, 2016
PA DEPARTMENT OF AGRICULTURE
ROOM 309

Notice: All public meetings conducted by the PA State Horse Racing Commission are electronically recorded. Verbatim transcripts can be obtained at the requestor's expense only. Transcripts will not be routinely prepared.

I. EXECUTIVE SESSION (10:00 am to 11:00 am)

II. COMMISSION ORIENTATION/TRAINING: Open to the public (11:00 am to 12:00)

III. BUSINESS MEETING (1:00 pm)

A. INTRODUCTORY MATTERS

1. Introductions, Sunshine Act Compliance.....Chairman Redding
2. Ex parte communications (if any).....Brook Duer
3. Commission Code of Conduct statusBrook Duer
4. Proposal for expanded Commissioner education/orientation status.....Brook Duer
5. General Correspondence.....Brook Duer
6. Rulings on website.....Tom Chuckas

B. ADMINISTRATIVE ACTIONS

1. Approval of 9/28/16 meeting minutes.....Chairman Redding
2. Standardbred Racing Director.....Brook Duer
3. Racing Fund financial report.....Tracee Gotwalt
4. Schedule, Simulcast, Reports, etc. approvals:.....Jorge Augusto
 - i. Motion to approve all simulcast calendars for November 2016, for Harrah's Philadelphia, Mohegan Sun at Pocono Downs and The Meadows.
 - ii. Motion to approve all simulcast calendars for November 2016, for Parx, Penn National and Presque Isle Downs.

- iii. Parx request to change the post time for November 6, 2016 to 12:25 because of daylight savings time ending.
- iv. Penn National requests Post time approval for Friday, November 4th and Saturday, November 5, 2016, Breeders' Cup Day.
- v. Presque Isle Downs request approval to allow Parimax Holdings to include Presque Isle Downs' historical races.

C. LICENSING & ADJUDICATIONS.....Brook Duer

- 1. Licensing Matters - Endeka Status Update
- 2. Adjudications - 1
 - Carmine G. Agenello—Appeal of Dispute of Non-Starter

D. INDUSTRY REPORTS

- 1. General Reports:.....Tom Chuckas
 - i. Racing Directors
 - ii. Horsemen
 - iii. Breeders

E. PUBLIC COMMENT.....Chairman Redding

- i. Bruce Casella
- ii. Brian Langlois
- iii. Stu Kirshenbaum

F. ADJOURNMENT.....Chairman Redding

Next Scheduled Public Meeting

Wednesday, November 30, 2016, 1:00 p.m.
 PA Department of Agriculture Room 309
 2301 North Cameron Street
 Harrisburg, PA 17110

The agenda is complete at the time of issuance, but other items may be added or removed without further notice. The order in which the agenda items are called may deviate from the sequence set forth herein.

JOHN D. PAYNE, MEMBER
106th LEGISLATIVE DISTRICT

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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

October 20, 2016

COMMITTEES:
Chairman, Gaming Oversight
Member, Liquor Control Committee

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Secretary Russell Redding, Chair
Pennsylvania Department of Agriculture
Pennsylvania State Horse Racing Commission
2301 North Cameron Street, Room 301
Harrisburg, PA 17110

Dear Secretary Redding:


I write as Chairman of the House Gaming Oversight Committee to respectfully request the State Horse Racing Commission license issued to Endeka Entertainment, LP., for the Lawrence County racino be revoked/returned to the Commission. Returning this license will make this important license available for re-issue. It is my understanding that there are several interested parties who would like to have the opportunity to apply for the license for racing in other areas of the Commonwealth.

During one of our hearings, a timeline was presented to the Committee showing the time the The Commonwealth of Pennsylvania has been trying to establish racing and gaming in Lawrence County for the past 12 years. I believe that is more than enough time for Lawrence County.

I have noticed that on the agenda for the October 26th Commission meeting, this subject will be discussed. Please take my comments into consideration when the subject is approached.

If you have any questions or would like to speak to me regarding my request, please do not hesitate to contact me.

Sincerely yours,


John D. Payne, Majority Chairman
House Gaming Oversight Committee
State Representative
106th Legislative District

JDP/sll